

Governor's Proposed Budgets for Higher Education

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Guiding Principles of Governor's Proposed Budget

- Ensure a solid foundation for the future by investing in and protecting our children
- Maintain public safety
- Partner with communities to support and protect our most vulnerable citizens
- Lay the foundation for a strong quality of life and economy for the 21st century
- Work together to get through these tough times

Governor's Proposed 2009 Supplemental Operating Budget Cuts: \$68,368,000

- \$35,863,000: August 2008 - freeze in hiring, travel, equipment purchases, contracts
- \$4,107,000: October 2008 - direct budget reductions
- \$28,398,000: November 2008 - further reductions

Governor's Proposed 2009-11 Operating Budget

- Budgeted enrollments remain at FY 09 levels.
- State funding reduced by 12%-13% for four-year institutions and 6%-7% for the community and technical college system from adjusted carry-forward budgets.
- Management of cuts left to institutions to maximize local control and minimize impact on students.

High Demand Degree Targets

- With no additional funds, institutions required to produce graduates in high demand fields of natural resources & conservation, computer science, mathematics, engineering, physical & biological sciences, and health professions:
 - UW 3,996
 - WSU 1,429
 - EWU 463
 - CWU 274
 - WWU 534
- The SBCTC is required to produce at least 22,000 completers of job preparatory and apprenticeship programs.

Tuition Policy

- Resident undergraduate tuition increases limited to 7 percent at four-year institutions; and at community & technical colleges 5 percent for resident lower- division, and 7 percent for resident upper-division courses in CTC applied baccalaureate programs.
- SBCTC allowed to charge tuition on a per-credit basis, provided average increase not greater than 5 percent.
- Governing boards of each institution and SBCTC allowed to set nonresident undergraduate and graduate tuition, as relevant.

Graduated Tuition Proviso

- The HECB, with four-year institutions, reviews options and develops an approach to a graduated tuition policy.
- Review to consider needs and requirements of State Need Grant and guaranteed education tuition (GET) programs.
- Recommendations to Governor and higher education Ways and Means committees by October 1, 2009.

Faculty Salaries

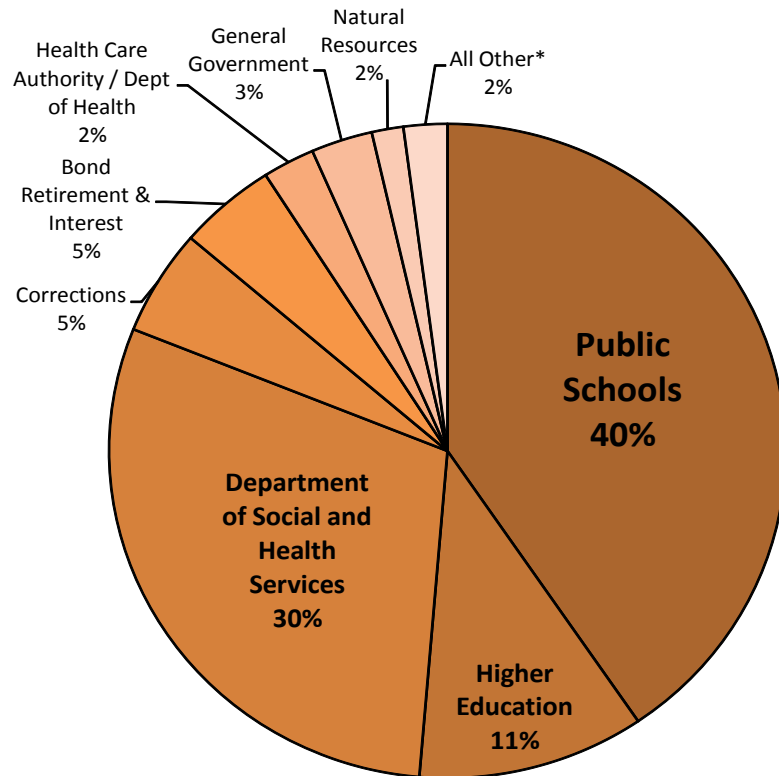
- No salary increases funded, including salaries negotiated during collective bargaining
- No funding for negotiated health benefit increases

Performance Level – Policy Changes

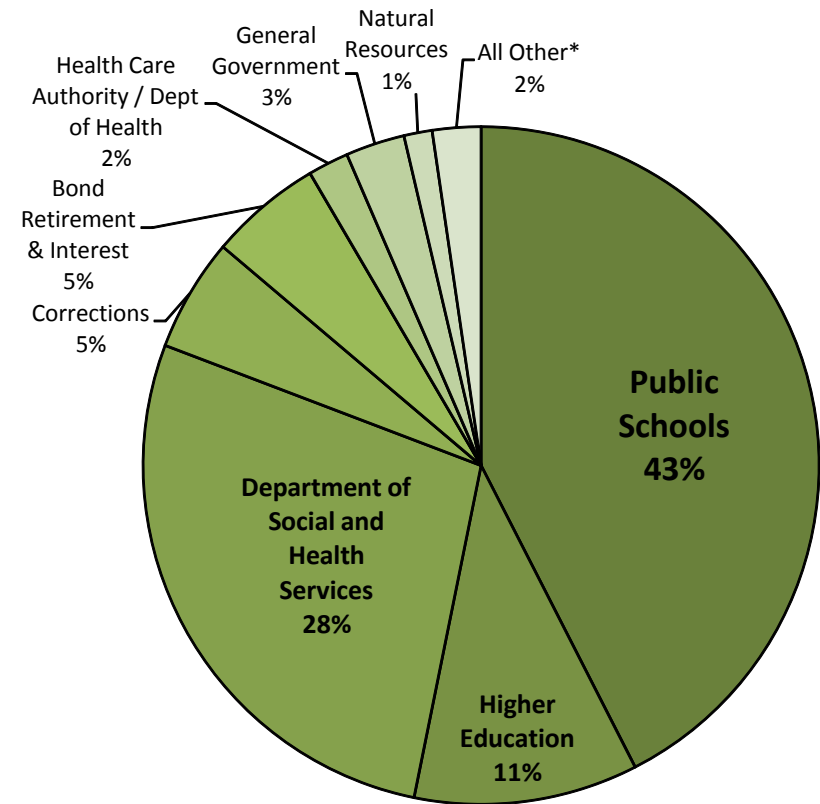
- \$19,174,000 – Financial aid adjustments for tuition increases
- \$4,400,000 – Transfer of STARS program from CTED to HECB
- \$3,000,000 – GET math and science
- \$1,500,000 – Health care career advancement training at CTCs
- \$250,000 – CWU fire contract

Operating Budgets: 2007-09 & Governor's 2009-11

2007-09 Budget (Enacted), Near General Fund State
Includes 2008 Supplemental Changes

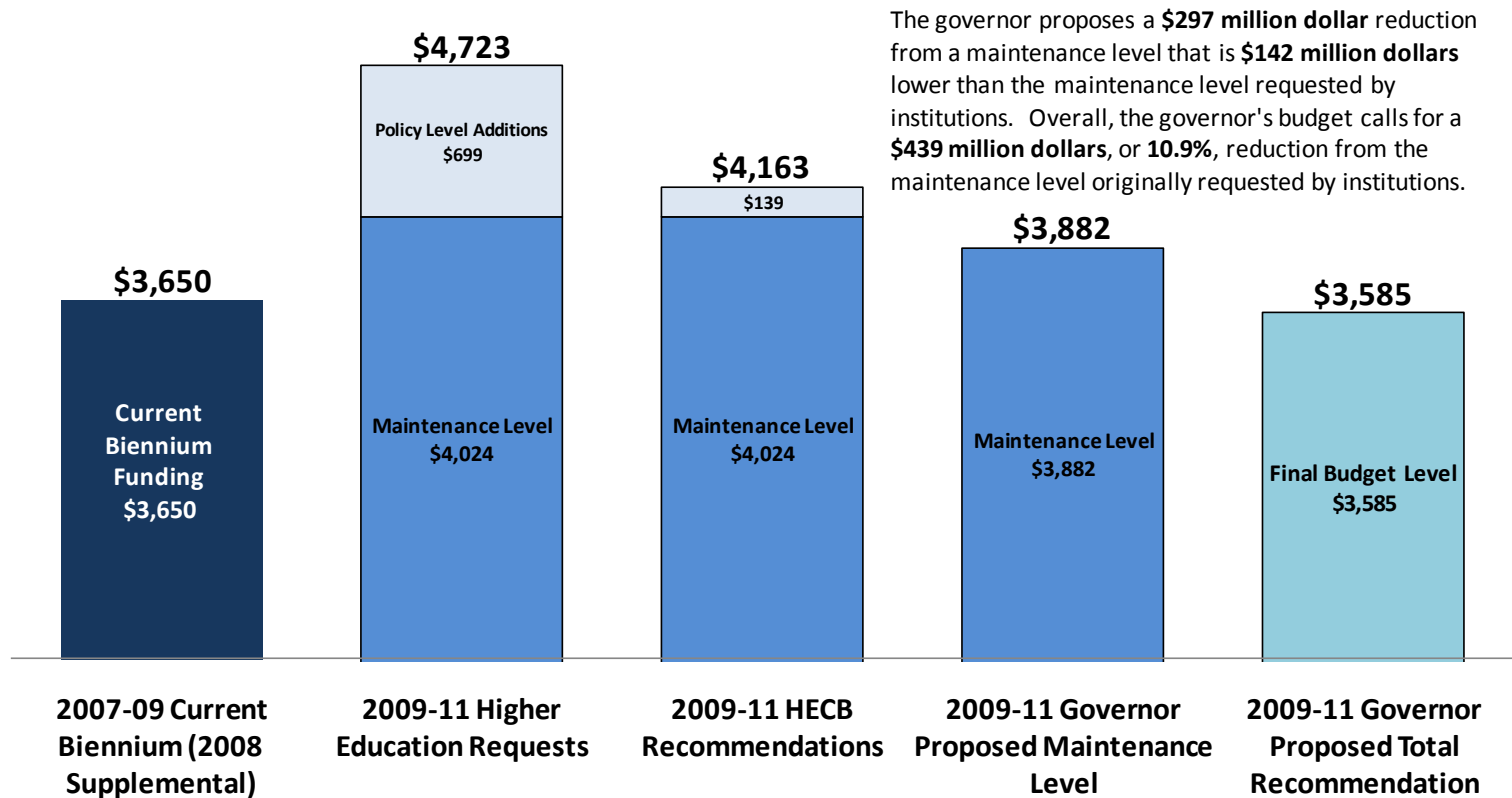


Governor's Proposed 2009-11 Operating Budget, Near General I



2009-11 Operating Budget Comparisons

2009-11 Higher Education Operating Budget Requests, HECB Recommendations, and Governor's Proposed Budget as Compared to Current Biennium Appropriations
Near General Fund- State, Dollars in Millions



Governor's Proposed 2009-11 Operating Budget for Higher Education

	<u>GOVERNOR'S BUDGET TOTAL</u>	<u>\$ Change from Maintenance Level</u>	<u>% Change from Maintenance Level</u>
NEAR GENERAL FUND STATE			
Four Year Public Total	\$1,607,907,000	(\$215,632,000)	-11.82%
Community/Technical College System	\$1,464,699,000	(\$106,341,000)	-6.77%
<u>Institutions Total</u>	<u>\$3,072,606,000</u>	<u>(\$321,973,000)</u>	<u>-9.48%</u>
Higher Education Coordinating Board	\$512,504,000	\$25,099,000	5.15%
<u>Higher Education Total</u>	<u>\$3,585,110,000</u>	<u>(\$296,874,000)</u>	<u>-7.65%</u>
ANTICIPATED TUITION REVENUES: FUND 149-6			
Four Year Public Total	\$1,093,623,000	\$128,124,000	13.27%
Community/Technical College System	\$521,176,000	\$34,461,000	7.08%
<u>Institutions Total</u>	<u>\$1,614,799,000</u>	<u>\$162,585,000</u>	<u>11.20%</u>
Higher Education Coordinating Board			
<u>Higher Education Total</u>	<u>\$1,614,799,000</u>	<u>\$162,585,000</u>	<u>11.20%</u>
NGF-S + TUITION, TOTAL NET CHANGE			
Four Year Public Total	\$2,701,530,000	(\$87,508,000)	-3.14%
Community/Technical College System	\$1,985,875,000	(\$71,880,000)	-3.49%
<u>Institution Total</u>	<u>\$4,687,405,000</u>	<u>(\$159,388,000)</u>	<u>-3.29%</u>
Higher Education Coordinating Board	\$512,504,000	\$25,099,000	5.15%
<u>Higher Education Total</u>	<u>\$5,199,909,000</u>	<u>(\$134,289,000)</u>	<u>-2.52%</u>

Source: OFM Budget Allotment and Support System, HECB analysis.

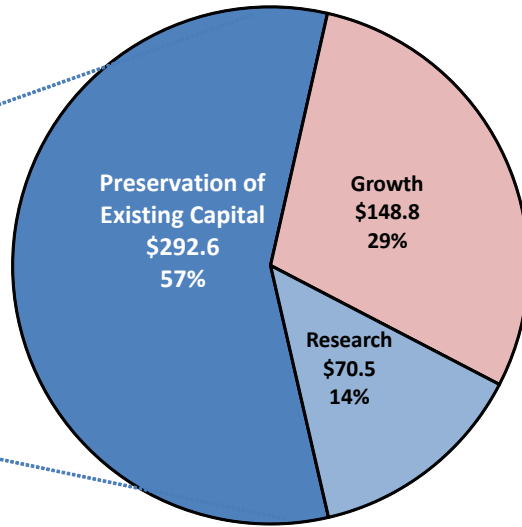
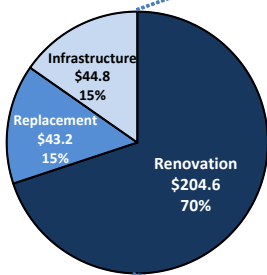
2009-11 Capital Budget Comparisons

Dollars in Millions

Source: HECB Capital Recommendations, OFM Data on Governor's Supplemental. HECB Analysis

HECB Capital Funding Recommendations (Minor Works Not Included)

Breakout of Preservation



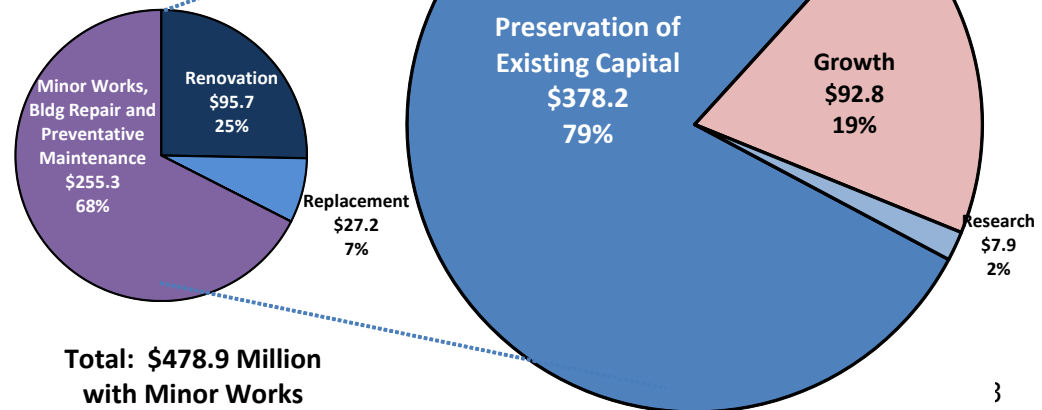
Total: \$511.9 Million without Minor Works

HECB Recommendations



Governor's Proposed Capital budget (Minor Works Included)

Governor's Proposal



Total: \$478.9 Million with Minor Works

Questions?